



## NOTICE OF PROPOSED SETTLEMENT

### ARDENT CLASS ACTION

#### THIS IS AN IMPORTANT NOTICE ISSUED TO YOU BY THE FEDERAL COURT OF AUSTRALIA

**This notice has important information you need to know about a proposed settlement of the ARDENT CLASS ACTION.**

#### A. WHY IS THIS NOTICE IMPORTANT?

1. This is being sent to you because you may be a group member in the class action against Ardent Leisure Limited, Ardent Leisure Management Limited, Ardent Leisure Group Limited and Craig Malcolm Davidson (collectively, **Ardent**).
2. The class action alleges that Ardent mislead investors about the safety measures and corporate governance standards in place at Dreamworld in the years preceding the accident on 25 October 2016. In the class action, the Applicants allege that group members suffered loss or damage by reason of Ardent's shares trading at an artificially inflated price.
3. Ardent does not admit the allegations made by the Applicants.
4. The solicitors acting for the Applicants are Piper Alderman and the class action is funded by Woodsford Litigation Funding 4 LLP and Woodsford Group Limited (**Woodsford**) who provided finance to enable the class action to be brought.
5. As you may have read or heard, settlement terms have been agreed. But because this is a class action, a judge of the Federal Court must decide whether it is a fair and reasonable settlement for the group members. The judge will have a hearing to decide whether the settlement is fair and reasonable at 10:15am AEST on 30 November 2023. If you are a group member in the Ardent Class Action, you have the right, if you wish, to attend that hearing and/or to make submissions as to why the Court should, or should not, approve the proposed settlement (or any particular aspect of it). If you wish to exercise that right, you need to follow the steps outlined below (under the sub-heading 'Option 2' below). Alternatively, you may watch the hearing online or by telephone by emailing the Court on [qldreg@fedcourt.gov.au](mailto:qldreg@fedcourt.gov.au) to obtain the link or phone number for you to call.
6. This notice is approved by the Court and explains some things about the settlement to allow you to work out whether you agree or disagree with it. If you have any other questions in relation to the information below, do not contact Ardent. Contact details that you can use to obtain further information can be found in Section I below, under the heading "Where can you get further information?".

#### B. WHAT IS THE SETTLEMENT?

7. Under the proposed settlement of the Ardent Class Action, Ardent will pay \$26 million for compensation, legal fees and disbursements, without admission of any liability.



8. It is proposed that certain deductions be made from the settlement fund in respect of the legal costs incurred in bringing the class action, the costs and commission sought by Woodsford for providing litigation funding, and the costs of administering the settlement. Details of the proposed deductions are set out below (see Section D).
9. It is proposed that the net settlement sum will be distributed to **eligible group members** (see Section C below). How the net settlement sum is proposed to be distributed, and how much each eligible group member will receive, will depend upon the application of a confidential formula, and depends on a number of factors.
10. Please note eligible group members will not receive the full value of their claims under the settlement (as it is a compromise and has to take into account the risk the class action might lose, as well as the benefit to group members in receiving money now rather than later).

#### **C. AM I ELIGIBLE TO PARTICIPATE IN THE SETTLEMENT?**

11. You are a group member if you acquired an interest in fully paid AAD Stapled Securities between 17 June 2014 and 25 October 2016 and suffered a loss or damage by the reason of the Respondents/ alleged misleading conduct, unless you validly opted-out of the class action.
12. Group members were sent a notice in early 2023 which invited them to register, and stated that the lead applicants intended to seek an order that group members who had not registered by the deadline would not be entitled to participate in any settlement agreed to by no later than 14 days after the conclusion of the trial.
13. The Applicants propose that the settlement only be distributed to:
  - (a) group members who registered by the Class Deadline of 20 March 2023, specified by the Federal Court – and notified to group members in a written notice sent in January 2023; and
  - (b) a small number of persons who registered late but still registered before the settlement was agreed, so their data could be considered as part of settlement discussions.
14. It is proposed that persons who registered by the Class Deadline of 20 March 2023, (or before the settlement was agreed) will be treated as **eligible group members** – who may receive a distribution from the settlement.
15. It is proposed that persons who did not register in time will be treated as ineligible group members, and will not receive any distribution from the settlement (although they will be bound by it, and lose the ability to bring claims against Ardent which were covered by the class action). If you disagree with this, you should object to the settlement, provide your details, and explain to the Court why you should be able to participate in it. See Section G (“Your Options”).

#### **D. THE LEGAL COSTS AND OTHER COSTS IN THIS PROCEEDING**

16. The amounts which are proposed to be deducted from the settlement total approximately \$13,782,836, and are for:

- (a) **legal costs**, the total amount of which is approximately \$5.1 million (for legal fees and disbursements incurred in running the class action, including interim adverse cost order and includes an estimated amount for obtaining court approval of the settlement primarily comprised of fees paid to the lawyers and experts who were involved in the case). The Court has put in place a process by which the reasonableness of these legal costs will be reviewed by a third-party expert;
  - (b) **Litigation Funding Commission**, which is \$7,800,000;
  - (c) **After-the-Event (ATE) Insurance Costs**, the total amount of which is \$737,836, which was incurred in order to ensure that the Applicants were protected from adverse costs and that security for costs could be provided to enable the class action to continue;
  - (d) **administration costs**, in an estimated amount of up to \$125,000, the reasonableness of which the Court will consider. If less is spent than the estimate, the surplus will increase the amount to be distributed to group members, and if more is spent it will only be recovered if the Court approves it; and
  - (e) **lead applicants reimbursement payment**, in an estimated amount of \$20,000 for their contribution in prosecuting the Proceeding.
17. The Court will need to approve deduction of all of these costs in advance and may approve lesser amounts than what is proposed. If you have a concern about the costs proposed to be deducted, you are free to tell the Court your concerns.
18. More detail about each of these costs is contained on Piper Alderman's website. See Section H below. Some further information about the litigation funding commission and ATE Insurance Costs is set out below.

### **Litigation Funding Commission**

19. Throughout the course of the class action, Woodsford provided litigation funding to the Applicants on the terms set out in the Litigation Finance Agreement (**LFA**). Under this arrangement, Woodsford paid legal costs incurred in prosecuting the class action, including the cost of solicitors, barristers and experts.
20. In return for the funding that Woodsford provides under the LFA for the Applicants' costs (as distinct from the adverse costs risk, which is discussed further below), Woodsford charges a 'Success Fee' payable from any Gross Proceeds (being, in this case, the total amount of the settlement sum). The 'Success Fee' is sometimes referred to as a "Litigation Funding Commission".
21. In the opt out notice to Group Members distributed in January 2023, the Applicants notified an intention to apply to the Court for a "Common Fund Order" under which Woodsford would be paid a Success Fee of the greater of 35% of Gross Proceeds or 3.5x Cash Outlay (being the total amount of legal and other fees and costs (including GST) advanced by Woodsford plus all other fees and costs relating to the class action reasonably incurred by Woodsford). It is now proposed that litigation funding commissions will be sought at a level much lower than 3.5x Woodsford's Cash Outlay, namely \$7,800,000 (which is 30% of the Settlement Sum).



22. This proposed Common Fund Order will allow a deduction in this amount from the Settlement Sum recovered for all Registered Group Members a funding commission to Woodsford in exchange for funding the litigation. It will mean all Registered Group Members who stand to benefit from the proceeding contribute towards the funding arrangements.

### **ATE Insurance Costs**

23. To protect against the risk of Adverse Costs, Woodsford:
- (a) indemnified the Applicants against liability for any Adverse Costs order made against the Applicant; and
  - (b) obtained ATE insurance to:
    - (1) provide the Applicants and Group Members with additional protection against the risk of Adverse Costs (the ATE insurance policy expressly covers Adverse Costs payable by the Applicant); and
    - (2) assist the Applicants to provide security for the Respondents' costs (for example by purchasing deeds of indemnity from the ATE insurer).
24. In return for this protection against the risk of having to pay Adverse Costs, and as notified in the opt out notice, the Applicants have agreed to apply for the cost of any such ATE insurance, including any deferred and contingent ATE insurance premiums, to be payable from Gross Proceeds (in addition to the others costs in paragraph 16 above), including the Litigation Funding Commission.

### **E. HOW MUCH WILL ELIGIBLE GROUP MEMBERS RECEIVE UNDER THE SETTLEMENT?**

25. The dollar amount you actually receive will be worked out following a process set out in the settlement scheme, which will be published on the class action website <https://piperalderman.com.au/class-actions/ardent-leisure-group-class-action/>.

### **F. CONSEQUENCES OF THE COURT APPROVING OR NOT APPROVING THIS SETTLEMENT**

26. If the Court approves the settlement and you did not opt out, you will be bound by the settlement and will no longer have the right to pursue any claims against Ardent or their related entities of the kind made in the Ardent Class Action (even if you have not registered to participate in the settlement). You will be bound if you are a group member, even if you are not an eligible Group Member.
27. If the Court does not approve the settlement, there will be no distribution of monies under the proposed settlement and the trial of the class action will need to be determined by the Court, unless some other agreement can be reached. There might need to be trials of many or all group members' claims, even if the Applicants win. This will take a long time and be expensive. There is no guarantee that there will be another settlement.

## G. YOUR OPTIONS

<p><b>Option 1:</b> If you <u>support</u> the proposed settlement</p>	<ul style="list-style-type: none"> <li>You do not need to do anything.</li> </ul>
<p><b>Option 2:</b> If you <u>disagree with</u> the proposed settlement (or any aspect of how it is proposed to be distributed, including the treatment of unregistered group members)</p>	<ul style="list-style-type: none"> <li>You should tell the judge and parties why.</li> <li>This is best done by completing and submitting the form called “Objection to Settlement Form” on the Piper Alderman website at:  <a href="https://piperalderman.com.au/class-actions/ardent-leisure-group-class-action/">https://piperalderman.com.au/class-actions/ardent-leisure-group-class-action/</a>  <b>by 4pm AEST on 16 November 2023</b> . Alternatively, you can contact Piper Alderman for a physical copy of the Objection to Settlement Form on (07) 3220 7777, which should be completed and sent to the address on that form <b>4pm AEST on 16 November 2023</b> .</li> <li>You can also tell the Court your concerns at the hearing at 10:15am on 30 November 2023 in the Federal Court of Australia. Arrangements can be made to do this if you want. If you want to speak, you may be provided with a video link or telephone link. If you want to speak to the Judge about the settlement at the hearing this can be arranged for you by sending an email to <a href="mailto:qldreg@fedcourt.gov.au">qldreg@fedcourt.gov.au</a> .</li> <li>If you think you should be eligible to participate in the settlement even though you did not register by 20 March 2023 or before the Settlement, you must tell the Court why, and provide registration details using this link <a href="https://piperalderman.com.au/class-actions/ardent-leisure-group-class-action/">https://piperalderman.com.au/class-actions/ardent-leisure-group-class-action/</a>.</li> </ul>

## H. WHERE CAN YOU GET FURTHER INFORMATION?

28. If you want more information or documents, you should download documents from the Ardent Class Action website at <https://piperalderman.com.au/class-actions/ardent-leisure-group-class-action/>. The documents available on that website include the Applicants’ Further Amended Statement of Claim, which contains detailed allegations made by the Applicants in the class action. **You should not contact the Court, or Ardent for any general enquiries about the Ardent Class Action.**
29. You can also request information from Piper Alderman on (07) 3220 7777 or [ardentshareholder@piperalderman.com.au](mailto:ardentshareholder@piperalderman.com.au).



## **I. OTHER MATTERS**

30. Please consider the above matters carefully. If there is anything of which you are unsure, you should contact Piper Alderman or seek your own legal advice. We cannot provide you with a precise estimate of the amount payable to you at this stage, so please do not contact us to request this information.
31. Please bear in mind that while you should contact Piper Alderman for further information as necessary, if you do not require further assistance, it is in the interests of all group members that you do not contact Piper Alderman to keep any further costs to a minimum.